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C E N T R A L I N T E L L I G E N C E A G E N C Y

OFFICE OF NATIONAL ESTIMATES

25 September 1968

MEMORANDUM FOR THE BOARD

SUBJECT: The Effects of Changing US Policy

The attached memorandum poses questions which should arouse a considerable amount of discussion by the Board. I would hope we could meet on it some day soon.

Abbot E. Smith

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CENTRAL INTELLIGENCE AGENCY
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It is common to find in our estimates the words "much will depend on the attitude or actions of the US" or sentiments to that effect. In many cases this is not pursued further and there is more or less a tacit assumption that the basic lines of US policy are not going to change much. For example, though the recent draft of a paper on Southeast Asia after Vietnam had one or more paragraphs on the importance of US policy, they were stuck in at the end of the discussions of the various contingencies and the main discussions presumed a continuance of a US presence in Southeast Asia including military commitment in Thailand, etc. While it is not our job to speculate on changes in US policy, it is our job to estimate on the policies and actions of other countries. Those policies and actions are in many cases influenced if not determined by their appreciation of prospective US policies and actions. Thus we cannot escape.

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To make my point, let me outline what might be country X's estimate of the "prospects for US policy in the next five years." If I exaggerate, it is to raise the issues.

The Estimate: The 1968 elections will almost certainly consolidate a major change which has been going on in US foreign policy. Since the immediate post-war years, foreign affairs have been a major concern of successive US administrations, vide: the Marshall Plan, the intervention in Greece, NATO, SEATO, ANZUS, Korea, the Japan defense treaty, the Berlin airlift, the Alliance for Progress, massive world-wide foreign aid, etc., etc. This preoccupation has been changing in the past few years. Foreign aid has been progressively reduced until the 1968 appropriation is so low that a responsible newspaper has suggested that the appropriation bill be vetoed as being worse than no program at all. The American diplomatic and economic presence abroad has been drastically cut. While balance of payments difficulties have been cited as the cause, it is clear that the value of foreign representation has been downgraded. The dollar savings from the drastic cut in foreign representation are insignificant in the whole US financial picture -- a comparable amount cut from any one of several military accounts would barely be noticed. Politically, the US feels that cuts in official civilian personnel overseas are more acceptable than reductions in the number of and facilities for dependents of the US military.

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The US is going through a crisis of believing that it has spent billions on foreigners and neglected domestic problems. And to make matters worse, it feels that its foreign friends and allies are not supporting it in its policies in Viet Nam, Cuba or the Middle East. The Japanese trade with China and North Viet Nam, the British and Canadians with Cuba, the French have virtually deserted Israel. These two factors reinforce each other; the recipients of US aid are ungrateful.

The Soviet invasion of Czechoslovakia has shocked the US and revived some of the emotions of the Cold War. At a minimum, any moves towards detente with the USSR will be looked upon with a cold eye. Situations in which it can plausibly be maintained that Communists are threatening areas of close interest to the US, such as Latin America, will arouse more response than would have been the case a year or so ago. This is not to say that the US will have a renewed interest in the Alliance for Progress, but that anti-communism will be a more important criterion for US support of regimes than their dedication to modernization and reform.

Perhaps the most important element in the picture is Viet Nam. There is widespread and passionate opposition in the US to the

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American involvement in Viet Nam. Without paying attention to the tolerance shown student demonstrators who wave Viet Cong flags, it is clear that an overwhelming majority in the US wants to liquidate the American commitment to the GVN. The differences are about how to do it, not what should be the objective. The strength of the feeling about Viet Nam will not soon dissipate and will militate against any new deep involvements in areas which seem remote from direct US interests.

Domestically, a number of objectives appear to be emerging. The need and desire to do something quickly and effectively about disorders and crime, which is the substance of the talk about "law and order," appears to be swinging from a concern about the causes (coupled with a fair degree of tolerance for the manifestations) to a defense against the manifestations, including a tougher attitude towards disturbers of the peace, strengthening the police, the purchase of weapons by the citizenry and such. This change in emphasis will correspond to a generally defensive frame of mind and will extend itself to the military field, i.e., expenditures for defensive weapons, including the ABM.

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Defensiveness will also increase in the economic field, leading to a greater success by those seeking protection from foreign competition (steel, textiles, lumber). A desire to reduce governmental expenses and disillusion with the results of foreign expenditures will cause a further resistance to spending money overseas for development of backward countries, i.e., a further reduction of aid.

In short, the prospect is for a much more inward-looking US, in which those concerned with foreign affairs will be on the defensive, particularly against the Congress. There will be an increase in actions which appear to offer immediate defense of US domestic interests, a great reluctance to spend money abroad and a desire to withdraw to the extent possible from involvement in foreign matters. End of estimate.

The making of such an estimate will profoundly affect the allies of the US or those who have relied on the US, and its antagonists. Already Europeans have renewed doubts about the effectiveness of the American alliance (vide: the revival of talk about an European defense community). NATO looked to the US for a lead in reacting to the invasion of Czechoslovakia; the US checked the bet. Recipients of substantial American aid will

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cast about for about for alternative sources. Those who have relied on US defense commitments will feel a greater urge to make other, supplementary arrangements and those that can will be even more inclined to go for the manufacture of nuclear weapons (Israel, India, later Japan). The alternative of accommodating to the USSR will be considered.

The Germans in particular will have increasing doubts of the US as a guarantor of their security. They will not expect the troops already withdrawn from Europe ever to return and will expect further reductions. They will not count on a strong reaction on the part of the US, or of other NATO countries which rely on the US nuclear umbrella, to new encroachments on Berlin by the East Germans or the USSR. In that case, they will explore the fields of other West European guarantees and arrangements, nuclear weapons, and accommodation with the GDR and the USSR, i.e., recognition of the division of Germany.

The Soviets will understand that they have a greater freedom of action. Their leaders are tough and determined to maintain at least their present position in Europe, the Middle East and the sub-continent and will expect a declining US willingness to challenge them in those areas. Having, through their invasion

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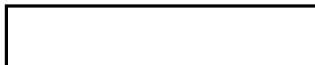
of Czechoslovakia, lost a large part of their credibility when talking about peaceful coexistence and detente, they are likely to press for what they see as advantages in any area of interest to them. While the Soviets will probably believe that they do not have a completely free hand and will be uncertain of the point at which the US would react, they will believe that the scope of safe action is enlarged. All the while, they will keep up some gestures towards the US. They will feel free to discuss all manner of bilateral agreements, being confident that the US Senate would be unlikely to ratify any agreement which would be interpreted as requiring confidence in Soviet bona fides, (e.g., arms limitation). The advantage to the Soviets would be that US-USSR negotiations could easily alienate the allies of the US who would be encouraged in their suspicions that the super powers were negotiating matters of world importance over their heads.

In Asia, confidence on the part of the friends of the US in its constancy and future reliability will falter. Japan will consider its alternatives in case it is left on its own. The smaller countries of Asia will be tempted to trim their sails to a changed power situation and modify their policies against the contingency of US withdrawal from the Asian mainland. The Chinese will not feel it necessary to be too aggressive or expansionist at present, confident that they will soon be the undisputed great power in the area, to which the lesser states will have to accommodate.

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There will be little or no incentive for the North Vietnamese to compromise. Confident of their ability to stick it out for the next few months, they know that they will be faced by a new US administration, which will be relieved of the necessity of justifying the policies of previous administrations and ready and anxious to pull out, with no intention of returning. They can be quite sure that even the talk about a great economic program for the area will die down in the face of a US Congress which was reluctant to appropriate funds for the Asian Development Bank. Hence, although all US candidates for president speak of persisting to a just settlement, Hanoi probably will be confident that it can get a better deal from any new administration than it can get from LBJ.

It would be nonsense to infer that US power and influence in the world will become unimportant. But the impact of the US is to a considerable degree a function of US will, intentions, and policy. If, as I believe, considerable changes are already underway, I think it behooves us to take greater account of these changes in estimating likely policies and actions in other countries. It may be much later than we think.



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